

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS
HAWAIIAN HOMES COMMISSION BUDGET WORKSHOP AGENDA

91-5420 Kapolei Parkway, O‘ahu, Hawai‘i, Zoom- Meeting ID: 609 754 2925
Friday, June 12, 2026, 10:00 a.m.

Livestream available at www.dhhl.hawaii.gov/live

Note: Commission meeting packets will be uploaded by June 9, 2026.

I. ORDER OF BUSINESS

- A. Roll Call
- B. Approval of Agenda
- C. Public Testimony on Agendized Items - see information below

Public testimony on any item **relevant to this agenda** may be taken at this time, or a testifier may wait to testify when the agenda item is called for discussion. Pursuant to section 92-3, Hawaii Revised Statutes, and section 10-2-11(c), Hawaii Administrative Rules, the Chair has the authority to impose reasonable conditions to ensure an orderly and efficient meeting.

II. WORKSHOP DISCUSSION ON DHHL FY 2027 HAWAIIAN HOME LANDS BUDGET

- A. DHHL Sources of Funding: Federal, General Fund, General Obligation Bond, Trust Fund, Special Fund, Revolving Fund, etc.
- B. Presentation on DHHL Budget Sections to include:
 - Administrative and Operating Expenses Section
 - Loans Section
 - Development Budget Section
- C. Presentation on DHHL Trust Fund Requests
 - DHHL System Modernization Initiative Request for \$941,046.00 from the Hawaiian Home Trust Fund to Support the DHHL System Modernization Initiative
 - NAHASDA Request for up to \$25,232,000 Advance from the Hawaiian Home Trust Fund to Finance the 41 Homes in EKIIC for NAHASDA Eligible Households

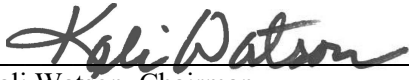
III. EXECUTIVE SESSION

The Commission anticipates convening in an executive meeting pursuant to Section 92-5(a)(4), HRS, to consult with its attorney on questions and issues pertaining to the Commission’s powers, duties, privileges, immunities, and liabilities on these matters.

- A. Briefing regarding fiduciary duties and responsibilities

IV. ANNOUNCEMENTS AND ADJOURNMENT

- A. Next Regular HHC Meeting –June 15 & 16, 2026, 9:30 a.m., Hale Pono‘i, 91-5420 Kapolei Parkway, Kapolei, Oahu, 96707
- B. Adjournment



Kali Watson, Chairman
Hawaiian Homes Commission

COMMISSION MEMBERS

Lawrence Lasua, Moloka'i
Shaylyn Ornellas, Kaua'i
Makai Freitas, West Hawai'i
Walter Kaneakua, O'ahu

Pauline N. Namu'o, O'ahu
Michael L. Kaleikini, East Hawai'i
Sanoë Marfil, O'ahu
Archie Kalepa, Maui

If you need an auxiliary aid/service or other accommodation due to a disability, contact Michael Lowe at 730-0298 or michael.l.lowe@hawaii.gov as soon as possible, preferably by June 9, 2026. If a response is received after that, we will try to obtain the auxiliary aid/service or accommodation, but we cannot guarantee that the request will be fulfilled. Upon request, this notice is available in alternate formats.

Public Testimony on Agendized Items can be provided either as (1) in person at the meeting location by filling out a form at the reception table, (2) written testimony mailed to Commission Testimony, P.O. Box 1879, Honolulu, HI, 96815, or emailed to DHHL.icro@hawaii.gov by June 9, 2026, or (3) live, oral testimony online by joining the Zoom meeting and relabeling your profile to include the agenda item you wish to testify on. Your computer will be muted and your camera off until you are called. You will need a computer with internet access, a video camera, and a microphone to participate if you would like to be visible to Commission members and other meeting participants.

Disruption of Interactive Technology – If all participating Commissioners cannot maintain audiovisual communication and a quorum is lost, the meeting will automatically be recessed for 30 minutes. During that time, an attempt to restore audiovisual communication will be made. If such an attempt to restore is unsuccessful within 30 minutes, all Commissioners, public members, staff, and other interested individuals shall log on again to the Zoom link on this Notice, whereby audio communication will be established for all participants, and the meeting will continue. If reconvening the meeting is impossible because audio and visual communication cannot be re-established, the meeting will be terminated.



Hawaiian Homes Commission

Budget Workshop

June 12, 2026

Fiscal Year 2027

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Overview of the State Budget Process¹

The State budgets on a biennium basis with the Executive biennium budget submitted to the Legislature for action on odd numbered years and the Executive supplemental budget submitted on even numbered years. The State's fiscal year runs from July 1st to June 30th. Generally, operating appropriations are effective for a one-year period and any unexpended or unencumbered appropriations lapse at the end of the fiscal year. Generally, capital improvement program appropriations are effective for a three-year period (the fiscal biennium plus an additional year) and any unexpended or unencumbered appropriations lapse at the end of the three-year period.

The Constitution requires that the Governor consider the Council on Revenues' revenue forecasts in preparing the Executive budget and the Legislature consider the Council's forecasts in appropriating funds. If the Governor or Legislature does not use the Council's forecasts, a public statement must be made to that effect along with the reason(s) for not using the forecasts. The Council makes quarterly forecasts that coincide with various phases of the budget preparation and execution process: the September 10th forecast is used by the Executive in preparing the Executive budget; the January 10th forecast is used by the Legislature in planning for appropriations during the legislative session; the March 15th forecast is used by the Legislature in making appropriations; and the June 1st forecast is used by the Executive in budget execution.

Budget System

Pursuant to the Executive Budget Act of 1970, the Planning, Programming and Budgeting System (PPBS) of the State was adopted. The purpose of this act is to integrate the planning, programming, and budgeting processes to improve decisions on the allocation of resources. The act established a comprehensive system for State programs and their related costs over a time frame of six years. The operating and capital improvement requirements are evaluated together to insure compatibility and mutual support. Systematic evaluations and analyses are conducted to ascertain the attainment of program objectives and alternative means or methods of improving current State services. The act provides that the Director of Finance and the Governor may modify or withhold planned expenditures if such expenditures would be in excess of authorized levels of service or in the event that State receipts and surpluses would be insufficient to meet authorized expenditure levels.

Under the PPBS, operating and capital improvement requirements are evaluated together over a time frame of six years. The other major budgets of State entities, which are submitted independently to the Legislature, include the Judiciary, Legislature and Office of Hawaiian Affairs.

¹ Taken in part from <https://budget.hawaii.gov/budget>
Department of Hawaiian Home Lands

DESCRIPTION AND EXPLANATION OF FUNDING SOURCES

Internal Funding Sources

I. Special Funds

1. Hawaiian Homes Administration Account (1941)
2. DHHL Revenue Bond Special Fund (1989)

II. Trust Funds

1. HHL Trust Fund (Act 14, SpSLH 1995)
2. H.H. Operating Fund (Act 27, SLH 1998)
 - i) Operating Portion (1948)
 - ii) Development Portion (1941)
3. Native Hawaiian Rehabilitation Fund (Act 27, SLH 1998)
4. HH Trust Fund (Act 27, SLH 1998)
5. HH Receipts Fund (Act 27, SLH 1998)

III. Revolving Funds

1. HH Loan Fund (1921)
2. HH General Loan Fund

External Funding Sources

1. General Fund
2. General Obligation Bonds
3. Revenue Bonds
4. Federal Funds

SPECIAL FUNDS

1. Hawaiian Homes Administration Account (1941)
2. DHHL Revenue Bond Special Fund (1989)

Name of Fund: Hawaiian Home Administration Account (S-325)

Means of Financing: Special Fund

1. Description and Purpose of Fund (including revenue source):

In 1959, the Hawaii Admission Act (Act of March 18, 1959, Pub. L. 86-3, 73 Stat 4) provided that ownership of Hawaiian Home Lands (HHL) be transferred from the United States to the State of Hawaii. The Admission Act also provided that the HHL, as well as proceeds and income therefrom were to be held by the State in trust for native Hawaiians and administered in accordance with the Act, and that use of HHL for any other purpose would constitute a breach of trust for which suit may be brought by the United States.

Section 4 of the Hawaii Admissions Act, states in part:

“(3) that all proceeds and income from the ‘available lands’ as defined by said Act, shall be used only in carrying out the provisions of said Act” (emphasis added).

Section 5(f) of the Hawaii Admissions Act, states in part:

“Such lands, proceeds, and income shall be managed and disposed of for one or more of the foregoing purposes in such manner as the constitution and laws of said State may provide, and their use for any other object shall constitute a breach of trust for which suit may be brought by the United States.” (emphasis added).

REVENUE LINE ITEMS:

- The entire receipts from any leasing or other dispositions of “available lands” are deposited into this account. Any interest or other earnings arising out of investments from this fund are to be credited to this fund.
- Receipts of this fund are from general leases, licenses, revocable permits, rights of entry, and other dispositions of Hawaiian Home Lands. The Admission Act and the Constitution stipulate that all proceeds and income from “available lands,” as defined by the HHCA, “shall be used only in carrying out the provisions of said Act.”

EXPENDITURE LINE ITEMS:

- The monies are to be expended by the department for salaries and all other administrative expenses of the department, excluding capital improvements, in the absence of general funds appropriated for operating and administrative costs.
- Funds of the Administration Account must be incorporated in the Executive Budget and appropriated by the legislature before they can be used for salaries and operating costs.

OTHER CHANGES IN FUND BALANCE:

- The HHCA provides that the excess of the receipts deposited into the Hawaiian Home Administration Account over the amount approved or made available by the legislature may be transferred to the Hawaiian Home Operating Fund.
- All revenues from “available” lands are pledged to the repayment of DHHL revenue bonds. Monies in excess of the reserve and debt service requirements may be transferred back to the Administration Account upon Commission approval.

2. Statutory Basis of Fund:

Section 213(f), Hawaiian Homes Commission Act of 1920, as amended

Name of Fund: Department of Hawaiian Home Lands Revenue Bond Special Fund (S-350)

Means of Financing: Special Fund

1. Description and Purpose of Fund (including revenue source):

In 1959, the Hawaii Admission Act (Act of March 18, 1959, Pub. L. 86-3, 73 Stat 4) provided that ownership of Hawaiian Home Lands (HHL) be transferred from the United States to the State of Hawaii. The Admission Act also provided that the HHL, as well as proceeds and income therefrom were to be held by the State in trust for native Hawaiians and administered in accordance with the Act, and that use of HHL for any other purpose would constitute a breach of trust for which suit may be brought by the United States.

Section 4 of the Hawaii Admissions Act, states in part:

“(3) that all proceeds and income from the ‘available lands’ as defined by said Act, shall be used only in carrying out the provisions of said Act” (emphasis added).

Section 5(f) of the Hawaii Admissions Act, states in part:

“Such lands, proceeds, and income shall be managed and disposed of for one or more of the foregoing purposes in such manner as the constitution and laws of said State may provide, and their use for any other object shall constitute a breach of trust for which suit may be brought by the United States.” (emphasis added).

In 2017, DHHL refunded \$30.94 million in revenue bonds. All revenues from “available” lands were pledged to the repayment of these bonds. Monies in excess of the reserve and debt service requirements may be transferred back to the Administration Account upon Commission approval.

Pursuant to section 213.5 of the HHCA, the department is required to establish a Revenue Bond Special Fund for each undertaking financed by revenue bonds. A special fund was established for the revenue bonds issued in 1991.

REVENUE LINE ITEMS:

- Revenues committed for payment of debt service and maintenance of reserve accounts.
- Interest from investments of reserve accounts.

EXPENDITURE LINE ITEMS:

- The monies are primarily used to repay the debt service on the bonds and to maintain a reserve account as required by the bond resolution.

2. Statutory Basis of Fund:

Section 213.5, Hawaiian Homes Commission Act of 1920, as amended

TRUST FUNDS

1. Hawaiian Home Lands Trust Fund (Act 14, SpSLH 1995)
2. Hawaiian Home Operating Fund (Act 27, SLH 1998)
 - a. Operating Portion (1948)
 - b. Development Portion (1941)
3. Native Hawaiian Rehabilitation Fund (Act 27, SLH 1998)
4. Hawaiian Home Trust Fund (Act 27, SLH 1998)
5. Hawaiian Home Receipts Fund (Act 27, SLH 1998)

Name of Fund: Hawaiian Home Lands Trust Fund (T-902)

Means of Financing: Trust Fund

1. Description and Purpose of Fund (including revenue source):

Act 14, Special Session 1995, (DHHL Land Claims Settlement Act) settles all claims made on behalf of the Hawaiian Home Lands Trust against the State between August 21, 1959 and July 1, 1988. It required that the State make twenty annual deposits of \$30,000,000 or their discounted equivalent into the Hawaiian Home Lands Trust Fund. Proceeds of the fund may be used by DHHL for capital improvements and to meet the requirements of the Hawaiian Homes Commission Act of 1920, as amended. The settlement payments were paid in full in 2015.

2. Statutory Basis of Fund:

Section 213.6, Hawaiian Homes Commission Act of 1920, as amended

Name of Fund: Hawaiian Home Operating Fund (T-905, T-915)

Means of Financing: Trust Fund

1. Description and Purpose of Fund (including revenue source):

The Hawaiian Home-Development Fund, established in 1941 as a special fund, and the Hawaiian Home Operating Fund, established in 1948 as a revolving fund, were merged into one fund, the Hawaiian Home Operating Fund, in 1986. Section 4 of the Hawaii Admissions Act (Act of March 18, 1959, Pub. L. 86-3, 73 Stat 4) made the Hawaiian Homes Commission Act (HHCA) a State law by compact with the United States. Under this compact, the Hawaiian Home Development Fund and the Hawaiian Home Operating Fund may not be the subject of amendments that impair or reduce them without the consent of Congress. Consequently, the Hawaiian Home Operating Fund is managed as two separate portions, the operating portion and the development portion, to retain the characteristics and substance of the predecessors of this fund.

Section 4 of the Hawaii Admissions Act, states in part:

“the Hawaiian home-loan fund, the Hawaiian home-operating fund, and the Hawaiian home-development fund shall not be reduced or impaired by any such amendment, whether made in the constitution or in the manner required for State legislation, and the encumbrances authorized to be placed on Hawaiian home lands by officers other than those charged with the administration of said Act, shall not be changed except with the consent of the United States” (emphasis added).

REVENUE LINE ITEMS:

- Loan Interest/ Investment Interest - Pursuant to section 213(b) of the Hawaiian Homes Commission Act (HHCA), any interest or earnings arising out of investments from the Hawaiian Home Loan Fund are to be credited to and deposited into the Hawaiian Home Operating Fund.
- Miscellaneous - Pursuant to section 213(e) of the HHCA, all moneys received by the department from any other source, other than those prescribed in other funds of the HHCA, are deposited into the Hawaiian Home Operating Fund. This includes receipts collected from the Molokai, Kawaihae and Anahola Water systems, hall rentals, and homestead lease payments.

EXPENDITURE LINE ITEMS:

- Uses of the operating portion of the Hawaiian Home Operating Fund include:
 - 1) Construction operation and maintenance of revenue-producing activities (such as the Molokai Water System, Kawaihae and the Anahola Farm Lots Water Systems) that are intended to serve principally occupants on Hawaiian Home Lands.
 - 2) Purchase of goods and services to be resold, rented or furnished on a charge basis to occupants of Hawaiian Home Lands. The department operates a community hall in Waimea on the island of Hawaii.
 - 3) Cost of appraisals, studies, consultant services or other staff services, including those in section 202(b) of the HHCA. Some of DHHL temporary exempt hires are funded from this portion of the Operating Fund.
- The uses of the development portion of the Hawaiian Home Operating Fund, which require written approval of the Governor, include:
 - 1) Improvement and development necessary to serve present and future occupants of Hawaiian Home Lands.
 - 2) Improvements, additions, and repairs to all assets owned or leased by the department excluding structures or improvements that the department is obligated to acquire under Section 209 of the HHCA.
 - 3) Engineering, architectural and planning services to maintain and develop properties.
 - 4) For consultant services.

- 5) For purchase or lease of equipment.
- 6) For acquisition or lease of real property; and
- 7) Improvements constructed for the benefit of the beneficiaries of the HHCA and not otherwise permitted in the loan funds or Administration Account.

OTHER CHANGES IN FUND BALANCE:

- 1) The Hawaiian Homes Commission authorizes the quarterly transfer of moneys from the Hawaiian Home Receipts Fund to the Hawaiian Home Operating Fund.
- 2) Any amount in the Hawaiian Home Administration Account which is in excess of the amount approved by the State Legislature or made available for the fiscal period may be transferred to the Hawaiian Home Operating Fund.

2. Statutory Basis of Fund:

Section 213 (e), Hawaiian Homes Commission Act of 1920, as amended

Name of Fund: Native Hawaiian Rehabilitation Fund (T-924)

Means of Financing: Trust Fund

1. Description and Purpose of Fund (including revenue source):

The Native Hawaiian Rehabilitation Fund (NHRF) was created by the 1978 Constitutional Convention to finance various activities intended to exclusively benefit native Hawaiians. This includes, but is not limited to, educational, economic, political, social, and cultural processes by which the general welfare and conditions of native Hawaiians are improved and perpetuated. The specific sources of NHRF funds vary, but are primarily derived from certain lands labeled "ceded lands" which were conveyed from the federal government to the State when it was admitted into the Union.

REVENUE LINE ITEMS:

- Thirty percent of the state receipts, derived from lands previously cultivated and cultivated as sugarcane lands and from water licenses, are deposited into this fund.
- Any payments of principal, interest or other earnings arising out of the loan or investments from the fund are credited and deposited into this fund.

EXPENDITURE LINE ITEMS:

- NHRF has also been involved in the financing of community based projects and an education scholarship program within the native Hawaiian community.

2. Statutory Basis of Fund:

Section 213(i), Hawaiian Homes Commission Act of 1920, as amended

Name of Fund: Hawaiian Home Trust Fund (T-917)

Means of Financing: Trust Fund

1. Description and Purpose of Fund (including revenue source):

Monies deposited into this fund are available for transfers into any other fund or account authorized by the Act or for any public purpose to further the purposes of the Act. Public purpose includes using the Hawaiian home trust fund as a reserve for loans insured or guaranteed by the Federal Housing Administration, Veteran Administration or any other federal agency authorized to insure or guarantee loans. A major deposit in the Hawaiian home-trust fund is the reserve for loans insured by the Federal Housing Administration.

2. Statutory Basis of Fund:

Section 213(h), Hawaiian Homes Commission Act of 1920, as amended

Name of Fund: Hawaiian Home Receipts Fund (T-916)

Means of Financing: Trust Fund

1. Description and Purpose of Fund (including revenue source):

All interest monies from loans or investments received by the department from any fund (except as provided in each fund) are deposited into this fund. At the end of each quarter, all monies in this fund may be transferred to the Hawaiian home-operating fund, the Hawaiian home-administration account, the Hawaiian home-trust fund or any loan fund in accordance with rules. If the Commission fails to approve a plan of transfer, all monies in the HHRF is transferred according to the Administrative Rules adopted by the department.

2. Statutory Basis of Fund:

Section 213 (g), Hawaiian Homes Commission Act of 1920, as amended

REVOLVING FUNDS

1. HH Loan Fund (1921)
2. HH General Loan Fund

Name of Fund: Hawaiian Home Loan Fund (S-302)

Means of Financing: Revolving Fund

1. Description and Purpose of Fund (including revenue source):

The Hawaiian Home Loan Fund was established in 1921 as a revolving fund. Section 4 of the Hawaii Admissions Act (Act of March 18, 1959, Pub. L. 86-3, 73 Stat 4) made the Hawaiian Homes Commission Act (HHCA) a State law by compact with the United States. Under this compact, the Hawaiian Home Loan Fund may not be the subject of amendments that impair or reduce its powers and benefits without the consent of Congress.

Section 4 of the Hawaii Admissions Act, states in part:

“the Hawaiian home-loan fund, the Hawaiian home-operating fund, and the Hawaiian home-development fund shall not be reduced or impaired by any such amendment, whether made in the constitution or in the manner required for State legislation, and the encumbrances authorized to be placed on Hawaiian home lands by officers other than those charged with the administration of said Act, shall not be changed except with the consent of the United States” (emphasis added).

REVENUE LINE ITEMS:

Loan Principal Repayment - Pursuant to section 213(b) of the Hawaiian Homes Commission Act (HHCA), any principal repayment arising out of loans from the Hawaiian Home Loan Fund are to be credited to and deposited into the Hawaiian Home Loan Fund.

The Hawaiian Home Loan Fund is used principally to pay the net proceeds when a homestead lease is canceled or surrendered or when a lessee dies without leaving a qualified successor.

2. Statutory Basis of Fund:

Section 213 (b), Hawaiian Homes Commission Act of 1920, as amended

Name of Fund: Hawaiian Home General Loan Fund (S-323)

Means of Financing: Revolving Fund

1. Description and Purpose of Fund (including revenue source):

Act 249, passed by the 1986 State Legislature consolidated all remaining loan funds other than the Hawaiian home-loan fund into the Hawaiian home-general loan fund. These loan funds were established through various amendments to the Act since statehood. The major source of receipts for this fund is through principal repayment of loans.

The department can make loans from the revolving funds for the following purposes:

- 1) Repair, maintenance, purchase or erection of dwellings on any tract and any permanent improvements.
- 2) Purchase of livestock and farm equipment (including aquaculture).
- 3) Farm loans not to exceed \$200,000.

In addition, the department may:

- 1) Use money in the Hawaiian home-operating fund to secure matching funds from federal, state or county agencies.
- 2) Loan or guarantee the repayment of loans or otherwise underwrite any authorized loan or portion thereof to lessees in accordance with Section 215 of the HHCA.
- 3) Permit loans to lessees by government agencies or private lenders, where the department assures payment of such loans in case of default.
- 4) Secure, pledge, or otherwise guarantee the repayment of money borrowed by the department from government agencies or private lenders. Money borrowed by the department or on departmental guarantees of loan shall at no time exceed \$100,000,000.
- 5) Use available loan fund monies or other funds as cash guarantees when required by lenders.
- 6) Exercise the functions of a lender of money in all direct loans made by government agencies or private lenders to lessees of which repayment is guaranteed by the department.
- 7) Pledge receivables of loan accounts outstanding as collateral to secure loans made by government agencies or private lenders to the department, the proceeds of which shall be used to make new loans.
- 8) Transfer into the Hawaiian home-trust fund any available money from any loan fund, except the Hawaiian home-loan fund, for use as cash guarantees or reserves when required by a federal agency authorized to insure or guarantee loans to lessees.

2. Statutory Basis of Fund:

Section 213 (c), Hawaiian Homes Commission Act of 1920, as amended



NEW HOME DEVELOPMENTS AND REPAIRS & MAINTENANCE

Department of Hawaiian Home Lands | Budget Workshop | June 12, 2026

Department of Hawaiian Home Lands — Development Budget (FY 2027)

Revised on May 29, 2026 — (000's omitted)

PART A: Lot Development Projects (Addressing the homestead waiting list)

Project / Description	New Lots	FY 26 Carryover (000's)			FY 27 New Funds (000's)			FY 27 Budget Requested (000's)		
		HHL Trust	Leg Appr (Act250)	Total	HHL Trust	Leg Appr (HB1800)	Total	HHL Trust	Leg Appr	Total
OAHU										
East Kapolei II-B Na Kupa'a Loan Payoff		2,300		2,300			0	2,300	0	2,300
East Kapolei II-A TOD and Telecom				0			0	0	0	0
East Kapolei II Backbone Infrastructure		25		25			0	25	0	25
CM for East Kapolei IIC							0	0	0	0
East Kapolei IIE							0	0	0	0
East Kapolei IID							0	0	0	0
East Kapolei IIF Kauluokhai Rdway Utility Infrastructure	700						0	0	0	0
Kaupea, Phase 2 (Includes Acquisition)							0	0	0	0
Ewa Beach (former NOAA site)	600						0	0	0	0
Waimanalo Residential & Agricultural Lots	119	1,750		1,750			0	1,750	0	1,750
Land Acquisition, Oahu				0			0	0	0	0
Maunaloa-Acquisition/Multi-Family Units (due diligence)	80				400		400	400		400
Nanakuli Homestead (horizontal development)	15					2,500	2,500	0	2,500	2,500
MAUI										
Keokea-Waiohuli, Phase 2A							0			
Keokea-Waiohuli, Phase 2B	61						0	0	0	0
Keokea-Waiohuli, Phase 3	76	500		500			0	500	0	500
Maui Development Fees (water, sewer, etc)		250		250			0	250	0	250
Lei Ali'i Phase 1B	75	500		500			0	500	0	500
Leialii 1B - Off-site Water							0	0	0	0
Lei Ali'i Highway and Access Improvements							0	0	0	0
Honokowai Subs Ag Ph 1 & 2	90						0	0	0	0
Pulehunui Development	200						0	0	0	0
Pu'u'hona Development (\$4 million = AHC)		4,000		4,000			0	4,000	0	4,000
Kahikinui Roadways		1,500		1,500			0	1,500	0	1,500
Pu'u'hona Acquisition + Water Dev.							0	0	0	0
Pu'u'hona Res. Subdivision	161						0	0	0	0
Pu'u'honai Res. Subdivision							0	0	0	0
Pu'u'hona Res. Subdivision							0	0	0	0
Wailuku - Res. Subdivision	207						0	0	0	0
Waiehu Mauka Acquis. & Dev.							0	0	0	0
Kamalani Land Acquis.							0	0	0	0
Kamalani Res. Subdiv.	400						0	0	0	0

Department of Hawaiian Home Lands — Development Budget (FY 2027)

Revised on May 29, 2026 — (000's omitted)

PART A: Lot Development Projects (Addressing the homestead waiting list)

Project / Description	New Lots	FY 26 Carryover (000's)			FY 27 New Funds (000's)			FY 27 Budget Requested (000's)		
		HHL Trust	Leg Appr (Act250)	Total	HHL Trust	Leg Appr (HB1800)	Total	HHL Trust	Leg Appr	Total
Kamalani Civil & Traffic Engineering							0	0	0	0
Kamalani Phase 2&3 Aerial Topography							0	0	0	0
Kamalani ALTA Survey							0	0	0	0
Kamalani Ph II ESA							0	0	0	0
Kamalani 2&3 Prof Surveying & Engineering Svcs							0	0	0	0
LANAI										
Lanai Residence Lots, Offsite Infrastructure	75						0		0	0
MOLOKAI										
Kalamaula Ag Lots (Acceleration)	45						0	0	0	0
Hoolehua Agricultural Lots- Naiwa Ag Subd	16						0	0	0	0
Naiwa Ag Subdivision - CM services							0	0	0	0
Hoolehua-Pala'au Scattered	12						0	0	0	0
BIG ISLAND										
HCC Home Project (partnership w HCC for homebuilding)		388		388	150		150	538	0	538
Honolulu Subsistence Ag Lots, Ph 2	40					18,300	18,300	0	18,300	18,300
Kaumana Subdivision Rehabilitation	168						0	0	0	0
Ka'u Water System Improvements, Phs 2		91		91			0	91	0	91
Ka'u Water Filling Station		200		200			0	200	0	200
Ka'u Agricultural Lots (Pu'u'eo)	25	3,000		3,000			0	3,000	0	3,000
Keaukaha						400	400		400	400
Lalamilo Housing Phase 2A, Increment 1		1,000		1,000			0	1,000	0	1,000
Laiopua Village 1 & 2	400						0	0	0	0
Laiopua Village 4akau	130						0	0	0	0
Laiopua Water (site acquisition)							0	0	0	0
Laiopua 5	55			0			0	0	0	0
Panaewa Residential Lots	600			0			0	0	0	0
Makuu 2ac lots (pressure test, chloronation)		800		800			0	800	0	800
Honoka'a Land Acquis.				0			0	0	0	0
Honoka'a (geotech & other reports)	296				3,200		3,200	3,200	0	3,200
Honoka'a Traffic Engineering Svcs							0	0	0	0
Honoka'a EIS Infrastructure Mstr pln and cost estimates							0	0	0	0
Palamanui Mix Use Subdiv.	40						0	0	0	0
Panaewa Residential Lots - Elama Rd	600						0	0	0	0

Department of Hawaiian Home Lands — Development Budget (FY 2027)

Revised on May 29, 2026 — (000's omitted)

PART A: Lot Development Projects (Addressing the homestead waiting list)

Project / Description	New Lots	FY 26 Carryover (000's)			FY 27 New Funds (000's)			FY 27 Budget Requested (000's)		
		HHL Trust	Leg Appr (Act250)	Total	HHL Trust	Leg Appr (HB1800)	Total	HHL Trust	Leg Appr	Total
KAUAI										
Hanapepe Residence Lots, Phase 2	82			0		3,000	3,000	0	3,000	3,000
Hanapepe Residence Lots, Ph2 - CM, Site & Infra. Improvements							0	0	0	0
Hanapepe Res lots ph 2 SF HSG Project							0	0	0	0
Anahola Kuleana		781		781			0	781	0	781
Wailua Masterplan		1,000		1,000			0	1,000	0	1,000
Wailua R-1 WWTP and GAC System							0	0	0	0
Lihue Res. Subdiv. Acquisition							0	0	0	0
Lihue Res. Subdiv. (Grove Farm Master plan)	1,100						0	0	0	0
Lihue R-1 WWTP and GAC							0	0	0	0
Lihue Grove Farm 35-acre Alta Survey							0	0	0	0
Lihue Water Systems Assessment							0	0	0	0
STATEWIDE PROJECTS										
Scattered Lots Program (Statewide)		160		160			0	160	0	160
Acquisition (Act14 Due Diligence)		2,000		2,000	75		75	2,075	0	2,075
VOKA Payment (ongoing payment due to reduction of lot count)				0	60		60	60	0	60
Federal Funds Plexos (refer to 6000 for addtl monies)				0			0	0	0	0
Dispute Resolution							0	0	0	0
Land/Project Acquisition							0	0	0	0
Project Financing		6,944		6,944			0	6,944	0	6,944
Individual Assistance (refer to 6000 for addtl monies)				0			0	0	0	0
Contingencies				0			0	0	0	0
Professional Svcs - RFP Eval & Prod.				0			0	0	0	0
PART A SUBTOTAL	6,468	27,189	0	27,189	3,885	24,200	28,085	31,074	24,200	55,274

Department of Hawaiian Home Lands — Development Budget (FY 2027)

Revised on May 29, 2026 — (000's omitted)

PART B: Repair, Maintenance, and Operating Costs (Promoting thriving, healthy communities)

Project / Description	New Lots	FY 26 Carryover (000's)			FY 27 New Funds (000's)			FY 27 Budget Requested (000's)		
		HHL Trust	Leg Appr (Act250)	Total	HHL Trust	Leg Appr (HB1800)	Total	HHL Trust	Leg Appr	Total
OAHU										
Papakolea Sewer Remediation, Ph 2		530	0	530			0	530	0	530
Papakolea Infrastructure Remediation		1,000	1,000	2,000			0	1,000	1,000	2,000
Nanakuli Sewer Improvements, Ph 2		450		450			0	450	0	450
Waianae Sewer Improvements		0		0	3,000	2,500	5,500	3,000	2,500	5,500
Waimanalo Flood Control Channel Improvements		1		1			0	1	0	1
Waimanalo Sewer Improvements		130		130				130	0	130
West Oahu Sewer Improvements					1,500		1,500	1,500	0	1,500
Princess Kahanu Sewer Improvements (bid came out higher than budget)		25,815		25,815	8,000		8,000	33,815	0	33,815
Kapolei Sewer Repairs		1	1,000	1,001			0	1	1,000	1,001
Rehabilitation of School Seawall, Nanakuli		191		191			0	191	0	191
Waimanalo Bell Street Drainage Improvements		1		1			0	1	0	1
Waimanalo Concrete Channel Relining		241		241			0	241	0	241
Waimanalo Sewer Repairs (Kumuhau, Kakaina)		1		1			0	1	0	1
Traffic Calming Islandwide		877		877		500	500	877	500	1,377
Road Right of Way Infrastructure Improvements		1	1,500			4,000	4,000	1	5,500	5,501
Auwaiolimu & Kapahu Slope Maintenance (bid came out higher than budget)					650		650	650	0	650
MAUI										
Lealii firebreak Maintenance				0	100		100	100	0	100
Waehu Kou Firebreak and Drainage Maintenance					200		200	200	0	200
Puuhona Landscape and Drainage Basin Maintenance					200		200	200	0	200
MOLOKAI										
Kalamaula Drainage			3,000	3,000			0	0	3,000	3,000
Kapaakea-One Aii Drainage			3,000	3,000			0	0	3,000	3,000
Molokai Water System Improvements			2,000	2,000			0	0	2,000	2,000
Molokai Drainage Improvements			1,000	1,000			0	0	1,000	1,000
Six Dry Stream Beds Maintenance (Green Fee)						74	74	0	74	74
Naiwa			1,500	1,500			0	0	1,500	1,500
Wastewater Treatment Plant (Kapaakea)			1,000	1,000			0	0	1,000	1,000
BIG ISLAND										
Honokaia Non-potable Water System				0			0	0	0	0
Keaukaha Sewer Improvements Master Plan (Green Fee)			5,000	5,000		4,000	4,000	0	9,000	9,000
Maku'u Site Remediation		200		200			0	200	0	200

Department of Hawaiian Home Lands — Development Budget (FY 2027)

Revised on May 29, 2026 — (000's omitted)

PART B: Repair, Maintenance, and Operating Costs (Promoting thriving, healthy communities)

Project / Description	New Lots	FY 26 Carryover (000's)			FY 27 New Funds (000's)			FY 27 Budget Requested (000's)		
		HHL Trust	Leg Appr (Act250)	Total	HHL Trust	Leg Appr (HB1800)	Total	HHL Trust	Leg Appr	Total
K'au Water System							0	0	0	0
Lalamilo Ph 1, Kawaihae Road Channelization		100		100	300		300	400	0	400
Lalamilo Ph 1, Infrastructure Improvements (also for streambank repairs)		2,420		2,420	500		500	2,920	0	2,920
La'i 'Opua Brush Clearing & Maintenance		494		494				494	0	494
Pu'ukapu Non-potable Water System Improvements						1,500	1,500	0	1,500	1,500
Kawaihae Water System Improvements						1,000	1,000	0	1,000	1,000
Kawaihae New Well Development						500	500	0	500	500
KAUAI										
Piilani Mai Ke Kai Ground Maintenance (Green Fee)						156	156	0	156	156
STATEWIDE PROJECTS										
Engineering Services for Various Locations		1,647		1,647				1,647	0	1,647
R/M of Improvements on HHL, Statewide		1,483		1,483				1,483	0	1,483
R/M of Utilities in Existing Subdivisions				0				0	0	0
Environmental Mitigation/Remediation				0				0	0	0
PART B SUBTOTAL	n/a	35,583	20,000	55,583	14,450	14,230	28,680	50,033	34,230	84,263
PART A + PART B		62,772	20,000	82,772	18,335	38,430	56,765	81,107	58,430	139,537

 *green denotes monies approved by the Legislature for the FY27 Green Fees



LOANS

Department of Hawaiian Home Lands | Budget Workshop | June 12, 2026

Department of Hawaiian Home Lands — Loan Section

FY 2027 Loan Request

FY 2027						
	(S-302-I) HH Loan Fund	(S-323-I) HH General Loan Fund	(T-917-I) HH Trust Fund	(T-902-I) HHL Trust Fund	NAHASDA	Total
Section 209 HHC Transaction	2,000,000	1,000,000				3,000,000
Direct Loan Financing		5,000,000			30,000,000	35,000,000
Real Property Taxes		100,000				100,000
Contingency-Guaranteed/Insured Loan Portfolio		2,400,000				2,400,000
Loans and Interest Receivable - Writeoffs			1,200,000			1,200,000
Loan Adjustment		2,000,000				2,000,000
Total Loans	2,000,000	10,500,000	1,200,000	0	30,000,000	43,700,000



FISCAL BIENNIUM 2025-2027 DEPARTMENT OPERATING BUDGET

Department of Hawaiian Home Lands | Budget Workshop | June 12, 2026

Department of Hawaiian Home Lands

Operating Budget by State Appropriated and Non-Appropriated Funding Sources

FY 2025 – FY 2026 (HHC Approved), FY 2027

I. Legislative Appropriations					
		FY 2025	FY 2026	FY 2027	
Authorized Positions		200.00	200.00	200.00	
Unfunded Positions		(19.00)	0.00	0.00	
Funded Positions		181.00	200.00	200.00	
• General Fund		\$26,796,100	\$28,032,234	\$28,032,234	
• H.H. Administration Account (special)*		\$4,824,709	\$101,866,373	\$10,824,709	<i>Special Fund</i>
• H.H. Operating Fund					
Operating Portion		\$3,740,534	\$3,740,534	\$3,740,534	
Development Portion		\$0	\$0	\$0	
Total Operating Fund		\$3,740,534	\$3,740,534	\$3,740,534	<i>Trust Fund</i>
II. Non-Appropriated Funds					
		FY 2025	FY 2026	FY 2027	
• H.H. Operating Fund					
Operating Portion		\$9,338,460	\$13,038,250	\$17,188,448	
Development Portion		\$0	\$0	\$0	
Total Operating Fund		\$9,338,460	\$13,038,250	\$17,188,448	<i>Trust Fund</i>
• Native Hawaiian Rehabilitation Fund		\$1,450,000	\$0	\$450,000	<i>Trust Fund</i>
• DHHL Revenue Bond Special Fund		\$3,200,000	\$3,200,000	\$3,200,000	<i>Special Fund</i>
Total		\$49,349,803	\$149,877,391	\$63,435,925	

* FY 26 included \$97,041,664 Act 279 carryover.

* FY 27 includes \$6M Green Fee in Special Fund (\$2M for Act 96 projects, \$4M for Keaukaha Sewer Improvements Master Plan).



FUND BALANCE REPORT

Department of Hawaiian Home Lands | Budget Workshop | June 12, 2026

Estimated Fund Balances

DHHL FY 2027 Budget

Fund	Budget Section	FY 27 Budget	Actual Fund Balances as of May 31, 2026	Transfers	Estimated Revenues	Estimated Fund Balances EOY FY27
Hawaiian Home Operating Fund (T905/T915)						
Development Portion	Lot Development, including R&M;	\$18,335,000				
Operating Portion	Administration and Operating					
Appropriated		\$3,740,534				
Non-Appropriated		\$17,188,448				
Total		\$39,263,982	\$73,724,913			\$34,010,931
Hawaiian Home Administration Account (S325)	Administration and Operating	\$10,824,709	\$33,486,841		\$19,552,094	\$42,214,226
Native Hawaiian Rehabilitation Fund (T924)	Rehabilitation Projects	\$450,000	\$5,927,125		\$427,235	\$6,354,360
Hawaiian Home Loan Fund (S302)	Loans	\$2,000,000	\$3,963,944		\$96,362	\$2,060,306
Hawaiian Home General Loan Fund (S323)	Loans	\$10,500,000	\$58,908,461		\$10,460,670	\$58,869,131
Revenue Bond Special Fund (S350)	Administration and Operating	\$3,200,000	\$11,857,706		\$3,000,000	\$11,657,706
Hawaiian Home Lands Trust Fund (T917)	Loans	\$1,200,000	\$43,106,257		\$7,824,256	\$49,730,513

State of Hawaii
Department of Hawaiian Home Lands

June 15 - 16, 2026

TO: Chair Kali Watson and Members of the Hawaiian Homes Commission

FROM: Debra Aliviado, Modernization Project Manager

SUBJECT: Budget Workshop Presentation on DHHL System Modernization Initiative
Request for \$941,046.00 from the Hawaiian Homes Trust Fund to Support the
DHHL's System Modernization Initiative

BACKGROUND

In 2019, the DHHL launched the beginning of a systems modernization initiative with the implementation of Salesforce, a customer relationship management (CRM) platform. The intended goal was to eventually convert APPX, the main database files which holds customer information and other software applications utilized by different divisions like file management, billing, payments, maps, etc. over a five-year plan. There were two primary reasons for starting this work, 1) the shared drives which holds files, folders, and other critical information was reaching storage capacity and would cease to accept new files, etc. and 2) to seek software applications that could be integrated into Salesforce to house everything into a single entity. The starting point for this work was the implementation of the Contact Center, then the Awards section, and Contested Cases were implemented into Salesforce. This assisted staff with a case management system whereby different staff members could access case information, upload files, enter notes, etc. This Salesforce integration was supposed to add more divisions to Salesforce, however, there was a change in direction in previous administrations and a lack of funding, so the work stopped.

Prior to 2019, the department attempted to modernize the systems, however, after the due diligence was completed, the cost was exorbitant at the time at \$10 million.

Today, the department is committed to a full system conversion and would like to proceed to move the department off an aging and antiquated system to a modernized system conducive to the twenty-first (21st) century.

In early 2024, the Salesforce team and consultants hosted Discovery sessions with the DHHL Administrators and staff to gather information about the challenges related to the different systems in addition to how the systems could work better for them. There were three recurring themes mentioned in every session. These themes described as pain points included 1) Land Inventory, 2) Case Management and 3) Self-Service options.

To address these pain points, DHHL structured its modernization effort into multiple phases. Phase 1 focused on establishing the foundational infrastructure — migrating core beneficiary and lease data from APPX into Salesforce, replicating essential system capabilities, and launching the Beneficiary Self-Service Portal to expand access for the approximately 24,000 households on the waitlist. Phase 2 built on that foundation by extending Salesforce across additional divisions and program areas, automating manual workflows, and implementing specialized processes for housing awards, enforcement, wildfire mitigation, genealogy tracking, and recordation. Together, these phases represent a significant milestone in the department’s commitment to a fully modernized, integrated system of record.

Phase 1 Accomplishments	
Data Migration	Migrated beneficiary application and lease data for approximately 24,000 households from the legacy APPX system into Salesforce, ensuring data integrity and continuity across all program records.
System Replication & Enhancement	Replicated APPX core capabilities within Salesforce and augmented them with enhanced audit logging, automated workflows, and improved data validation, reducing manual processing errors and increasing staff efficiency.
Beneficiary Self-Service Portal	Launched the DHHL Beneficiary Self-Service Portal on Salesforce Experience Cloud, enabling beneficiaries to access application status, lease information, and submit contact update requests online.
Document Digitization	Digitized and categorized legacy paper records in coordination with Salesforce and DocuSign CLM, establishing a structured electronic document repository and relieving shared drives that were nearing storage capacity.
Automated Notifications	Implemented automated internal status notifications and tracking for beneficiary-facing transactions. Improved transparency throughout the application and lease administration lifecycle.

Phase 2 Accomplishments	
Housing Award & Check-In Process	Implemented the end-to-end housing award and check-in workflow in Salesforce, streamlining lot assignments and beneficiary check-ins, eliminating manual coordination between divisions, and accelerating time from offering to occupancy.
Wildfire Mitigation Project Management	Launched a project management module to track grant awards, milestones, and field activities related to DHHL’s wildfire risk reduction efforts, providing leadership with real-time visibility into program status and fund utilization.
Enforcement Unit Case Management	Implemented Enforcement Unit processes in Salesforce to track contested cases, compliance activities, and enforcement actions, replacing fragmented spreadsheets and manual recordkeeping with a unified, auditable system of record.
Lease Rent Data Migration	Completed migration of lease rent data into Salesforce, consolidating billing and receivable records and enabling automated rent tracking, delinquency monitoring, and reporting across all lease types.

Kumu Ohana Genealogy Tracking	Implemented the Kumu Ohana process within Salesforce to manage beneficiary family relationships and succession lineage, supporting accurate successor designation and eligibility verification.
Loan Data Cleansing	Completed a comprehensive data cleansing effort for loan information, correcting inconsistencies and normalizing records in preparation for Loans Branch modernization planned in FY27.
HH81 Form Digitization & Automation	Digitized and fully automated the HH81 form process, eliminating paper-based intake and enabling electronic submission, routing, and tracking of homestead-related administrative forms.
Account Numbering System	Implemented a standardized account numbering system across beneficiary and lease records, creating a consistent unique identifier framework that improves data linkage and reporting accuracy.
Recordation System	Implemented a recordation system to manage and track the recording of instruments, leases, and legal documents, reducing processing time and providing staff with a searchable, centralized log of all recordation activities.

For Fiscal Year 2027, the department requests approval of \$941,046.00 to support the following System Modernization initiatives:

Division / Project	Hours	Budget	Description
NAHASDA	514	\$100,109	Salesforce system enhancements and business process improvements supporting NAHASDA program administration, compliance monitoring, reporting, and beneficiary services.
Homestead Services Division – Loans Branch	500	\$97,382	Modernization of loan application processing, workflow automation, document management, reporting, and customer service operations, including automated loan underwriting.
Homestead Services Division – Applications Branch	500	\$97,382	Enhancements to applicant intake, eligibility verification, waitlist management, workflow automation, and reporting capabilities, including bringing the contested case hearing process online.
Homestead Services Division – District Offices Branch	500	\$97,382	Standardization and automation of district office operations, case management, beneficiary interactions, and service request tracking.
Homestead Services Division – Digitize Data File Support	200	\$38,953	Digitization of legacy paper records to improve accessibility, data quality, and record retention. An ongoing day-forward process will bring newly categorized records online.
Homestead Services Division – Full Utility Star Migration (Molokai & Hawaii Island)	500	\$97,382	Expansion of the Utility Star pilot program to Molokai and Hawaii Island, including system configuration, testing, training, and deployment support.
Enforcement Division	500	\$97,382	Development and enhancement of enforcement case management, compliance tracking, workflow automation, and reporting tools.
Land Development Division – Housing Branch	500	\$97,382	Modernization of housing project tracking, beneficiary engagement processes, project management workflows, and reporting capabilities.
Planning Office – Grant Management	322	\$62,714	Implementation of grant management solutions for funding tracking, compliance monitoring, reporting, and performance measurement.

Planning Office – Beneficiary Surveys	322	\$62,714	Development of survey management tools, data collection processes, analytics, and reporting to support beneficiary outreach and planning initiatives.
Artificial Intelligence (AI) Enhancements	200	\$38,953	Deployment of AI-powered capabilities to improve data analysis, document processing, workflow efficiency, and customer service, including AI-assisted beneficiary support on the online portal.
General Support	274	\$53,311	Ongoing project management, business analysis, system administration, testing, training, change management, and modernization program support.
Totals	4,832	\$941,046	

STATE OF HAWAI'I
DEPARTMENT OF HAWAIIAN HOME LANDS

June 15-16, 2026

To: Chairman and Members, Hawaiian Homes Commission

From: Lehua Kinilau-Cano, NAHASDA Government Relations
Program Manager

Subject: Budget Workshop Presentation on NAHASDA Request for up to \$25,232,000 Advance from the Hawaiian Home Trust Fund to Finance 41 Homes in EKIIC for NAHASDA Eligible Households

DHHL, in partnership with Gentry Kapolei Development, LLC offered 115 residential homes in the Kauluokahai Subdivision - Increment IIC on August 23, 2025. Of the 115 homes offered, 53 were selected by NAHASDA Eligible Households. Of the 53 awardees, 41 NAHASDA Eligible Households are financing with no subsidy totaling \$25,232,000.

This advance from the Hawaiian Home Trust Fund for up to \$25,232,000 would ensure that homeowner financing can be provided in EKIIC for NAHASDA Eligible Households while allowing Native Hawaiian Housing Block Grant (NHHBG) funds to continue to be utilized for other existing projects and programs.

The balance of NHHBG funds as of June 3, 2026 is \$2,965,633.10. DHHL is anticipating that a grant agreement for FY 2026 funding totaling \$22.3 million should be executed in July 2026 and those funds should be available shortly thereafter. This would result in a total balance of NHHBG funds of \$25,265,633.10. These funds are already projected to be expended as follows:

Fiscal Year 2026-2027 Projected Expenditures by AHP Activity:

Program #	Program Name	Budget
AHP I	Capital Improvement Projects	10,000
AHP II	Developer Financing (LIHTC Awarded)	2,400,000
AHP III	Homeowner Financing (Puuhona, PMKK & Waiohuli)	17,814,025
AHP IV	Home Assistance Program	750,000
AHP V	Waimanalo Kupuna Housing Rental Asst.	871,500
AHP VI-A	Rental Vouchers for Temporary Relocation	10,000
AHP VI-B	DHHL Kupuna Rental Subsidy Program	750,000

AHP VI-C	Rental Vouchers for DHHL Units	120,000
AHP VII	Housing Counseling	100,000
AHP VII-A	Housing Counseling (NLI)	10,000
AHP VIII	Homeowner Assistance	100,000
AHP IX	Water Infrastructure Improvements	12,000
AHP X	Housing Conversion	0
AHP XI	Single-Family Modular Constructed Units	0
AHP XII	Operation & Maintenance	582,628
AHP XIII	Down Payment/Closing Cost (NLI)	225,000
	Planning and Administration	1,500,000
	TOTAL	\$25,255,153

DHHL requested \$30 million in NHHBG funds for FY 2027. The President's budget for FY 2027 eliminated the NHHBG stating that "Native Hawaiians are not a tribal nation but a racial group." The House Appropriations Committee released the FY 2027 bill for the Transportation, Housing and Urban Development, and Related Agencies (THUD) Subcommittee which included \$15 million for the NHHBG program. The Senate THUD Appropriations Subcommittee is currently reviewing its FY 2027 funding legislation. Any funding appropriated for FY 2027 is anticipated to be available to DHHL in July 2027.

DHHL expects funding for the NHHBG program to follow how funding was appropriated last year for FY 2026. The President's budget didn't request funding for the NHHBG program so \$0 was included in the President's budget. The House THUD Subcommittee included \$18.3 million for the NHHBG, and the Senate THUD Subcommittee included \$22.3 million for the NHHBG, resulting in the Consolidated Appropriations Act, 2026, with \$22.3 million for the NHHBG program which is expected to be available sometime next month.

DHHL plans to repay the Hawaiian Home Trust Fund with future NHHBG funds from FY 2027 and future fiscal years as needed with full reimbursement to occur no later than FY 2030. HUD staff has informed DHHL that it can incur pre-award costs, but these costs are incurred at DHHL's own risk. DHHL must still comply with all program requirements and because there is no guarantee that funding will be appropriated, reimbursement will be subject to availability of funding. If NHHBG funds are not available to reimburse the Hawaiian Home Trust Fund, the purpose for requesting this advance for 41 NAHASDA Eligible Households financing with no subsidy totaling \$25,232,000 should still result in repayment by these lessees making payment on their loans.